

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

**SETTLEMENT AGREEMENT AND
ADMINISTRATIVE ORDER ON CONSENT
(AOC3)**

SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED JANUARY 15, 2018

1. Introduction

This Quarterly Progress Report is being submitted to the Nevada Division of Environmental Protection (NDEP) pursuant to the requirements of Paragraphs 1 and 2 of Section XIII of the AOC3 executed between the Parties and NDEP on February 15, 2006. The format of this report is based on the requirements stated in Paragraph 1 of Section XIII. This report covers activities between October 1 and December 31, 2018. BRC apologizes for the late submittal of this report since it was due on January 15, 2018.

2. Actions Taken Towards Achieving Compliance

The administrative NFA for shallow groundwater underlying the CAMU was received from the NDEP.

Maintenance activities at the CAMU continued as needed, including leachate collection and offsite disposal.

BRC held discussions with the NDEP with regards to submittal of its RAP modification. The modifications will address removal of language no longer applicable in the RAP since the construction of the CAMU is now complete. The RAP modification will also address the addition of onsite leachate storage tanks at the CAMU as a contingency or option to handle leachate and its disposal.

BRC completed the field data collection and analysis for the 2017 annual groundwater monitoring at the CAMU pursuant to the NDEP-approved long-term CAMU groundwater monitoring work plan. BRC is expecting to complete the requisite report in the next period.

As discussed in the prior report, BRC has agreed to install one shallow groundwater monitoring well near existing well POU3 concurrently with the implementation of NERT's Phase 3 Workplan, which involves installing several wells in the Eastside, including two wells near POU3. The implementation of this program by NERT began during this period.

In addition to the various documents submitted to the NDEP discussed below, BRC and NDEP held meetings and telephone calls in order to achieve progress on project activities. Telephone meetings were held between the BRC management, the BRC Project Manager and the NDEP Project Manager (occasionally along with representatives from the City of Henderson as well as consultants representing the prospective property buyer) roughly monthly. Minutes of these meetings are maintained separately.

Additionally, BRC continued to develop the Eastside CSM and the accompanying RAS.

Results of previous confirmation sampling were received and analyzed and appropriate data validation activities also occurred.

3. Sampling Conducted

None.

4. Work Plans and Other Deliverables Submitted Including Modifications

Due to the very few document exchanges occurring between the NDEP and BRC at the present time, BRC is not including the document lists previously provided as Attachments A (documents submitted to the NDEP by BRC) and B (documents received from the NDEP by BRC) in prior versions of this quarterly progress report. Should activity levels change in the future, BRC will reinstate including Attachments A and B in the future.

5. Actions Scheduled for Next Quarter

Activities planned include: (a) submittal of the data validation report for the 2017 CAMU groundwater monitoring; (b) continuing policy and technical discussions with the NDEP regarding various groundwater issues for the Eastside in relation to the ongoing preparation of the CSM/RAS for the Eastside; (c) obtaining data from the implementation of the NERT Phase 3 groundwater work plan at the Eastside including data from the three new wells installed near existing well POU3; (d) continue development of the CSM/RAS for shallow Eastside groundwater; and (e) submit the modification to the RAP to the NDEP.

The following Work Plans and Other Deliverables are planned to be submitted to the NDEP in the next period:

- (i) Revised Project Schedule (updated as needed).
- (ii) Various Data Validation Summary Reports, as needed.
- (iii) Various documents discussed above.

Additional documents may also be submitted depending on project needs.

6. Completions, Delays and Mitigations

None.

7. Planned Modifications to Remedial Actions

None planned.

8. Community Relations Plan Actions Taken

None.

9. Community Relations Plan Actions for Next Quarter

The project website is updated periodically, as needed, to include documents submitted to the NDEP.